

Date Mailed March 10, 2000
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BEFORE THE  
  
PUBLIC SERVICE COMMISSION OF WISCONSIN

Application for Approval of Services Agreement Between  
Wisconsin Electric Power Company, Wisconsin Public  
Service Corporation, and Nuclear Management Company,  
LLC

05-AE-101

**NOTICE OF PROCEEDING  
AND  
INVESTIGATION AND ASSESSMENT OF COSTS**

**THIS IS A PROCEEDING**, pursuant to Wis. Stat. §§ 196.52 and 196.795, to consider the application of Wisconsin Electric Power Company (WEPCO) and Wisconsin Public Service Corporation (WPSC) for approval of Services Agreements between each applicant and Nuclear Management Company, LLC (NMC).

NMC was formed on February 25, 1999, by WEC Nuclear Corporation (WEC-N), WPS Nuclear Corporation (WPS-N), and Northern States Power Company (NSP). WEC-N and WEPCO are wholly owned subsidiaries of Wisconsin Energy Corporation (WEC). WPS-N and WPSC are wholly owned subsidiaries of WPS Resources Corporation (WPSR).

NMC is therefore a nonutility affiliate of each of the applicants, as defined in Wis. Stat. § 196.795(1)(j). WEPCO and NMC, and WPS and NMC, are affiliated interests as defined in Wis. Stat. § 196.52.

**Description of Agreements**

WEPCO and WPSC have each requested approval of a Nuclear Power Plant Operating Services Agreement (NPPOSA) with NMC. These agreements are identical in all material aspects<sup>1</sup>.

In docket 05-AE-100, the Commission approved service agreements and employee lease agreements that allowed the NMC to provide certain nuclear power plant services to its members using utility resources and employees. Under the NPPOSA, the NMC will be using its own employees, as well as some utility employees, to provide a broader range of services than previously approved. The NPPOSA is structured to provide these services to the member utilities at NMC's cost, including a return on and of capital.

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<sup>1</sup> Exhibit 1 to the WPSC application includes some terminology variances pertinent to Kewaunee facility.

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The NPPOSA will replace the service agreements and employee lease agreements approved in docket 05-AE-100<sup>2</sup>.

**NOTICE IS GIVEN** that the Commission considers it necessary, in order to carry out its duties, to investigate all books, accounts, practices, and activities of the applicant. The expenses incurred or to be incurred by the Commission which are reasonably attributable to such an investigation will be assessed against and collected from the applicant in accordance with the provisions of Wis. Stat. § 196.84 and Wis. Admin. Code ch. PSC 6.03.

The Commission does not discriminate on the basis of disability in the provision of programs, services, or employment. Any person with a disability who needs accommodations to participate in this proceeding or who needs to obtain this document in a different format should contact the case coordinator listed below.

Questions from the media may be directed to Jeffrey L. Butson, Public Affairs Director at (608) 267-0912.

Questions regarding this matter may be directed to case coordinator Diane C. Braun at (608) 267-1200.

Dated at Madison, Wisconsin, \_\_\_\_\_

By the Commission:

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Lynda L. Dorr  
Secretary to the Commission

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<sup>2</sup> Dated September 4, 1999.